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The Food Stamp Program in An Era of Welfare Reform: Electronic Benefits and Changing Sources of Cash Income

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"The Food Stamp Program
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The household budgets

and food spending patterns of food stamp recipients differ qualitatively, depending on whether the household's main source of cash income is welfare benefits or another source.

Data from the first evaluation of a statewide Electronic Benefits Transfer (EBT) program are used to investigate the distinct roles played by food stamp benefits and cash income in the household budget of food stamp recipients at different times of the month. The EBT system replaces traditional food stamp coupons and welfare checks with plastic debit cards.

Households with welfare benefits as their primary source of income tend to have higher food stamp benefits, and they appear to rely on food stamp benefits alone for their total food budget. By contrast, households with other income sources tend to have lower food stamp benefits, and they appear to contribute some of their own cash income to their food budget in addition to their food stamps. These differences have implications for understanding how the Food Stamp Program assists households moving from welfare to work.